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VIA CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

August 1, 2012

Owner/Managing Agent
Ecodyne Corporation/The Marmon Group
181 West Madison St. 26th Floor
Chicago, IL 60602

Owner /Managing Agent
Fluor Corporation
6700 Las Colinas Blvd.
Irvine, TX, 75039

Re: Notice of Violations Under the Clean Water Act And Intent to File Suit

To: Owners and/or Managing Agents of Ecodyne Corporation and Fluor Corporation:

NOTICE

This Notice is provided on behalf of Northern California River Watch ("River Watch") with regard to the discharges of pollutants from facilities formerly owned by Ecodyne Corporation and Fluor Corporation (collectively, "Dischargers") located on a portion of the Shiloh Industrial Park at 930 Shiloh Road in Windsor, California, (the "Site") into waters of the United States, in violation of the Clean Water Act ("CWA").

By this Notice, River Watch is providing statutory notification to Dischargers as former owners, site managers, or managing agents of the Site, of continuing and ongoing violations of "an effluent standard or limitation", permit condition or requirement and/or "an order issued by the Administrator or a State with respect to such standard or limitation" under CWA § 505(a)(1), 33

U.S.C. § 1365(a)(1), the Code of Federal Regulations, and the Regional Water Quality Control Board, North Coast Region's Water Quality Control Plan ("Basin Plan") as exemplified by Dischargers' illegal discharge of pollutants from a point source to waters of the United States without a National Pollution Discharge Elimination System ("NPDES") permit.

This Notice also addresses Dischargers' ongoing violations of the substantive and procedural requirements of CWA §§ 301(a) and 402(a),(b) and (p). The CWA prohibits the discharge of a pollutant from a point source to a water of the United States without a NPDES permit.

CWA § 505(b) requires that sixty (60) days prior to the initiation of a civil action under CWA § 505(a), a citizen must give notice of his/her intent to sue. Notice must be given to the alleged violator, the U.S. Environmental Protection Agency ("EPA"), the State in which the violations occur, and the registered agent of the alleged violator. River Watch believes this Notice provides proper notice of Dischargers' violations as required by the CWA. Upon the end of the notice period, River Watch intends to commence to civil action against Dischargers' by reason of the CWA violations set forth in this notice, or amend the complaint filed in the U.S. District Court, Northern District of California, in the case entitled *Northern California River Watch vs. Ecodyne Corporation, et al,* Case No.: 3:10-cv-05105MEJ.

The CWA regulates the discharge of pollutants into navigable waters. The statute is structured in such a way that all discharge of pollutants is prohibited with the exception of several enumerated statutory exceptions. One such exception authorizes a polluter who has been issued a NPDES permit pursuant to the CWA, to discharge designated pollutants at certain levels subject to certain conditions. The effluent discharge standards or limitations specified in a NPDES permit define the scope of the authorized exception to the CWA § 301(a), 33 U.S.C. § 1311(a) prohibition. Without a NPDES permit **all surface and subsurface** discharges from a point source to waters of the United States are illegal.

River Watch hereby notices Dischargers that they are not in possession of a NPDES permit allowing the discharge of pollutants from the Site and numerous point sources within the Site including hazardous and solid waste, former teepee burners, ponds and storage tanks as identified in this Notice, to waters of the United States as required by CWA § 301(a), 33 U.S.C. § 1311(a), CWA §§ 402(a) and 402(b), 33 U.S.C. § 1342(a) and 1342(b), as well as CWA § 402(p), 33 U.S.C. 1342(p). The CWA prohibits storm water discharges without a permit pursuant to 33 U.S.C. § 1342; 40 C.F.R. § 122.26.

The EPA's federal implementing regulations under the CWA address the possibility that a facility could "close its doors" yet leave behind a toxic mess and a contaminated, designated industrial facility. Thus, to avoid this scenario which would thwart the entire purpose behind the

CWA's regulation of industrial storm water pollution, the EPA specifically requires that the term "designated industrial activities" encompasses a closed facility that fails to properly address its industrial contamination. Specifically, the regulations require NPDES permit coverage for the following:

- storm water discharges from industrial plant yards including manufactured products, waste material or by-products used or created by the facility;
- material handling sites;
- sites used for the storage and maintenance of material handling equipment; and,
- areas where industrial activity has taken place in the past, and significant materials remain and are exposed to storm water. 40 C.F.R. 122.26(14)(b).

California's Storm Water Permit adopts this same terminology and requires permit coverage for facilities which have closed leaving a contaminated site behind.

The CWA requires that any notice regarding an alleged violation of an effluent standard or limitation, or of an order with respect thereto, shall include sufficient information to permit the recipient to identify:

1. The specific standard, limitation, or order alleged to have been violated.

River Watch hereby notices Dischargers that they have no NPDES permit allowing the discharge of pollutants from the Site and numerous point sources within the Site including the solid and hazardous waste, storage tanks, former structures and ponds identified in this Notice, to waters of the United States as required by CWA § 301(a), 33 U.S.C. § 1311(a), CWA §§ 402(a) and 402(b), 33 U.S.C. § 1342(a) and 1342(b) as well as § 402(p), 33 U.S.C. 1342(p). The CWA prohibits storm water discharges without a permit pursuant to 33 U.S.C. § 1342; 40 C.F.R. § 122.26.

2. The activity alleged to constitute a violation.

In compliance with this requirement, River Watch has set forth below narratives describing with particularity the activities leading to violations. In summary, the CWA requires that all discharges of pollution from a point source to a water of the United States without a NPDES permit are prohibited. River Watch alleges Dischargers are discharging pollutants including toxic metals such as hexavalent chromium from the Site and various point sources within the Site as identified in this Notice, to waters of the United States. The point sources were tanks and structures including towers, teepee burners and ponds, which have been subsequently removed. The solid and hazardous waste discharged from these tanks is also a point source. These point sources continue to discharge pollutants from the Site to surface waters adjacent to the Site.

The liability of Dischargers stems from their ownership or operation of the Site, or due to the activities conducted on the Site by Dischargers, as well as ownership and control of conduits within the Site which act as preferential pathways and point sources for pollutants.

3. The discharger responsible for the alleged violation.

The dischargers responsible for the alleged violations are Flour Corporation and Ecodyne Corporation as former owners, site managers, or managing agents of the Site, identified throughout this Notice as "Dischargers".

4. The location of the alleged violation.

The location or locations of the various violations are identified in the BACKGROUND section of this Notice as well as in records either created or maintained by or for Dischargers with regard to the Site which relate to Dischargers' activities on the Site as described in this Notice.

5. The date or dates of violations or a reasonable range of dates during which the alleged activities occurred.

Disposition, discharge and release of pollutants from the Site has been ongoing for several years. The CWA is a strict liability statute with a 5-year statute of limitations; therefore, the range of dates covered by this Notice is August 1, 2007 through August 1, 2012. River Watch will from time to time update and supplement this Notice to include all violations which occur after the date of this Notice. The majority of the violations identified in this Notice such as discharging pollutants to waters of the United States without a NPDES permit, failure to obtain a NPDES permit, failure to implement the requirements of the CWA, and failure to meet water quality objectives are continuous, and therefore each day is a violation.

River Watch believes all violations set forth in this Notice are continuing in nature. Specific dates of violations are evidenced in Dischargers' own records (or lack thereof) or files and records of other agencies including the Regional Quality Control Board ("RWQCB"), the State Water Resources Control Board GeoTracker, and Sonoma County Department of Health Services related to the Site.

6. The full name, address, and telephone number of the person giving notice.

The entity giving this Notice is Northern California River Watch, a non-profit corporation dedicated to the protection and enhancement of the waters of the State of California including all rivers, creeks, streams and ground water in Northern California. River Watch is organized under

the laws of the State of California. River Watch can be contacted via email at Email US@ncriverwatch.org or through its attorney.

River Watch has retained legal counsel with respect to the issues raised in this Notice. All communications should be addressed to:

Jack Silver, Esquire
Law Office of Jack Silver
P.O. Box 5469
Santa Rosa, CA 95402-5469
Tel. 707-528-8175
Fax 707-528-8675.

BACKGROUND

The Site, located in the Shiloh Industrial Park at 930 Shiloh Road, Windsor, California is comprised of approximately 28 acres and is subdivided into numerous parcels, separated by chain link fencing. Many of the subdivided parcels are leased to small commercial and industrial businesses.

In 1951, Industrial Manufacturers, Ltd. conveyed the Site property by grant deed to Industrial Manufacturers, Inc. which was incorporated in California with the purpose to "initially engage in the primary business of processing tanks, cooling towers, cross-arms, and other wood products." In 1953, the name "Industrial Manufacturers, Inc." was changed to Santa Fe Tank & Tower Co., Inc. In 1955 Santa Fe Tank & Tower Co., Inc. became a wholly-owned subsidiary of Fluor Corporation, Ltd. Fluor Corporation, Ltd. continued the operations at the Site.

In 1968, Fluor Corporation, Ltd. conveyed the Site property to Fluor Products Co., Ltd., which assumed ownership and control of the manufacturing operations at the Shiloh Road property. Fluor Products Co., Ltd. was incorporated in August 1962 and engaged primarily in the specific business of manufacturing and sales of cooling towers and wood products. In 1969, Fluor Products Co, Inc. became a wholly-owned subsidiary of Ecodyne Corporation which continued to own and operate the property until 1970, at which time the company's name changed to Fluor Cooling Products Company. In 1972, the name of the company again underwent a change to Ecodyne Cooling Products Company which merged into Ecodyne Corporation. Ecodyne Corporation remained the owner of the Site until 1984.

From 1953 to 1956 the Site was used for manufacturing cross-arms, pipes, air scrubbers, press plates, tanks, and cooling towers out of douglas fir and redwood. The cross-arms, as well as some pipes and tanks were treated with wood preservatives, including pentachlorophenol (PCP) and creosote. It is quite likely that other toxic metals and possible solvents were used in these processes such as chromium, arsenic and copper. In addition, lead was used to coat hardware for piping and tanks in order to prevent corrosion. Operations using PCP, creosote, and lead occurred

within a dip treatment shed and an adjacent kiln building, located in the northwestern quadrant of the Site. The dip treatment shed construction included a wall which was shared with the kiln building, a corrugated steel roof supported by steel posts, and a dirt floor lacking any kind of drainage system.

Wood treatment operations inside the dip treatment shed were conducted with a non-pressure, hot and cold dipping process. The shed contained two PCP tanks, two creosote tanks, and four lead tanks. One PCP tank and one creosote tank were used to hold hot solutions while the other two tanks were used to hold cold solutions. Wood or metal platforms were built around these treatment tanks. A concrete slab, which did not extend the full length of the dip treatment shed, existed about two feet below the wood decking and just below the bottoms of the hot and cold tanks. The concrete slab was bermed around the perimeter and had openings facing southwest; the slab also tilted slightly in the same direction. Consequently, spilled liquids collected on the concrete slab before draining onto the adjacent dirt floor area. A creosote storage tank was located over the ditch near the southwest end of the dip treatment shed. Creosote was delivered to this storage tank via tank car and was gravity-fed into the hot creosote dip tank located inside the dip treatment shed. Fifty-five-gallon drums filled with PCP were stored outside near the southern end of the dip treatment shed. PCP was poured from the 55-gallon drums directly into the PCP tanks, often spilling onto the ground.

The lead dipping tanks were located at the northern end of the dip treatment shed. All of the tanks, with the exception of the tank containing the molten lead, were made of wood with metal lining. All were known to leak. Below the molten lead tank was a set of two gas burner jets set up on bricks. Both hot tanks, containing PCP and creosote, were heated to temperatures above 100°F. Lumber was lowered into the hot preservatives, using an overhead crane trolley, and left to soak for a minimum of two hours. Next, the lumber was transferred to a tank containing cold preservative to soak for an additional two hours. After the lumber was removed from the cold tanks, it was placed on a tray which drained back into the cold tank. The lumber was then stacked directly on the dirt outside, generally between the dip treatment shed and the ditch which runs alongside the railroad tracks, and left to dry thoroughly before it was shipped off site.

Santa Fe Tank & Tower Co., Inc used lead to coat the hardware for tanks and piping prior to fabricating these items. The hardware was first immersed into a tank containing a high alkaline substance, then into a clear wash. Next it was immersed into tanks containing flux and molten lead, respectively. The lead was heated to about 650°F. Finally, the hardware was immersed into a tank containing seal coater. The hardware was raised out of the seal coater and placed on a tray which drained back into the tank. In interviews with former yard employees of Santa Fe Tank & Tower Co., it was indicated that spillage of PCP, creosote and lead was associated with their storage, the filling of tanks, and the treatment of wood and other products. The former employees also indicated that changes in temperature caused the drum plugs and threading to expand and contract in such a way that water entered the drums and periodically flushed out the substances stored in them. Several PCP drums had been completely flushed out by rain water in this manner.

According to these interviews, workers often removed the wood around the PCP and creosote tanks in order to flush out contents which had accumulated on the concrete below the tanks. Contents were flushed with water onto the dirt area just outside the PCP and creosote dipping area.

From 1956 to 1957, Fluor Corporation, Ltd. moved its cooling tower manufacturing operations from Los Angeles to the Shiloh Road site. The process of treating lumber with PCP in the dip treatment shed continued until about 1960/1961. Based on interviews with former Fluor Corporation employees, the dip treatment shed was converted into a paint shop prior to 1963. From approximately 1962 to 1970, Fluor Corporation and its subsidiaries operated the paint shop. During this time, toxic metals such as lead, chromium, cadmium, mercury, tin, copper, arsenic and materials such as asbestos, PCBs and even DDT were at one time or another used in various paint formulations. Epoxy-lead based paint was applied to hardware either by a spray or dip process, and subsequently was hand painted. Although former employees recall examining the tanks in the dip treatment shed and finding them to be empty in 1968, there are no records indicating any means or methods of disposal of excess PCP, creosote, and lead after Fluor Corporation discontinued dip treating wood and hardware on the Site.

Once acquiring the Site, Ecodyne Corporation demolished the kiln building and the paint shop. Prior to demolition, the remaining dip tanks and salvageable materials, such as corrugated steel siding and roofing, were placed in the "backyard" of the Site, located south of the kiln building, beyond the railroad spur. In 1971, Ecodyne Corporation demolished the facility buildings used in the wood and metal treatment operations on the Site and covered the areas where these buildings had been located with a layer of dirt and shale.

Ecodyne Corporation operated the wood treatment facility from July 1965 to January 1984, at the current Shiloh Industrial Park. Chromic acid, sodium dichromate, and copper sulfate were used, among other chemicals, in the wood treatment process. The pond site area was used as a drip treatment facility for wood and metal products until the early 1970's. Chemicals used in those operations were stored in both above ground and below grade storage tanks. It is suspected that arsenic may also have been used as part of the wood preserving process. Some of the wood treatment solutions were applied to lumber in a pressure vessel. The surplus chemical solutions were pumped to unlined evaporation and settling ponds, which illegally discharged to surface drainage. The surface drainage discharged to wetlands, Pruitt Creek and eventually the Russian River.

Several teepee burners are seen on site maps and historical photographs of the Site. The photographs show these burners as operational. Many of the areas where manufacturing, storage and disposal took place are outside the "Pond" and Tower" areas of the Site, which are identified as the only current areas for remediation. Residues from chemical spills in the soils and ground water were first discovered in November 1985 in connection with cleanup efforts at the adjacent Tower area. In 1986, a backhoe operator hit concrete flooring and walls (which may have been the foundation structure of the kiln building) contaminated with creosote at about six feet below

grade. The creosote odor was strong. Some creosote-contaminated soil was dragged about 50 feet away from the main excavation area. In addition, a smaller excavation area located adjacent to the drainage ditch contained ponded water with a slight oily sheen.

Residual materials from the operations of Fluor Corporation and Ecodyne Corporation remain in soils and groundwater on the Site including dioxin, lead, copper, PCP, hexavalent chromium, polynuclear aromatic hydrocarbons (PAHs) and arsenic. The RWQCB requested that Ecodyne Corporation, as previous owner and operator of the Site, submit a workplan for conducting an investigation to determine the extent of contamination present in soil and groundwater. Soil samples from the affected areas taken in 1985 indicated the presence of PCP, PAHs, arsenic, hexavalent chromium, copper, lead, and dioxins. Total PAH concentrations were generally highest at the same locations as they were for PCP. These locations include the dip treatment shed (as high as 654 ppm) and below the drainage ditch (176 ppm). Lead in soil was found in concentrations of 587 ppm and within the ditch, 752 ppm. Zinc was detected at various concentrations within the Site. The highest concentrations found were within the dip treatment shed (1350 ppm) and beneath the drainage ditch (1510 ppm).

Between 1984 and 1987, the Site property went through a number of ownership changes, and as of September 1987, became part of the Shiloh Industrial Park. In 1999, The Shiloh Group, LLC acquired the entire area comprising the Shiloh Industrial Park and became the owner of the Site.

VIOLATIONS

Discharge of Contaminated Stormwater

Polluted stormwater containing PCP, lead, hexavalent chromium, PAHs, copper, zinc as well and other materials from the Site is discharged, untreated, directly to the culvert adjacent to the Site. This culvert drains into Pruitt Creek which in turn drains into the Russian River. The Russian River has many designated beneficial uses including municipal and domestic supply, agricultural supply, groundwater recharge, recreation, fishing, wildlife habitat, fish migration and spawning and aquaculture.

Hexavalent chromium has been found in stormwater on the Site in excess of the water quality objectives ("WQOs") of 1µg/l and the California Public Health Goal ("PHG") of 0.02µg/l. Hexavalent chromium and lead are recognized as human carcinogens. Both are known to cause skin rashes, stomach ulcers, respiratory problems, kidney and liver damage and death. Hexavalent chromium and lead are also toxic to fish and can cause severe gill damage.

Pruitt Creek is the receiving water of the contaminated drainage and stormwater from the Site. The CWA is intended to protect against this type of runoff pollution. Runoff including stormwater drains into the on-site culvert which connects directly to Pruitt Creek. The culvert is inadequately protected.

Pruitt Creek is a watercourse in the Russian River watershed. All surface waters in this area drain to the Russian River which is also listed as impaired even thirty years after the adoption of the CWA. The Russian River and its tributaries are habitat to naturally spawned populations of Coho salmon (*Oncorhynchus kisutch*), Steelhead trout (*Oncorhynchus mykiss*), and Chinook salmon (*Oncorhynchus tshawytscha*) inhabiting the California Coast Province. These salmon and trout have been federally listed as threatened under the Endangered Species Act. Critical habitat has also been designated for these species to include all estuarine and river reaches accessible to salmonids below longstanding, naturally impassable barriers.

Direct Discharges from Subsurface Releases

Existing records regarding the Site indicate pollutants continue to be discharged from the Site to waters of the United States via surface drainage and direct discharge as well as via subsurface, hydrologically connected, contaminated ground waters. Hazardous and solid waste, former tanks, ponds and structures are some of the point sources contributing to the surface discharges. Other point sources include the drainage ditches which act as conduits for the transmission of pollutants from the Site to waters of the United States.

Pursuant to CWA § 301(a), 33 U.S.C. § 1311(a), the EPA and the State of California have formally concluded that violations by Dischargers such as those identified in this Notice are prohibited by law. Beneficial uses of surface waters are being affected in a prohibited manner by these violations. The EPA and the State of California have identified Dischargers' operations at the Site as a point source, the discharges from which contribute to violations of applicable water quality standards.

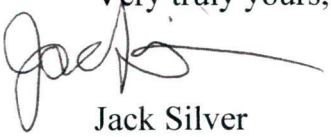
River Watch alleges that from August 1, 2007 through August 1, 2012, Dischargers have violated the CWA by failing to acquire a NPDES permit and for discharging pollutants into waters of the United States without a NPDES permit. Each and every discharge is a separate violation of the CWA. These enumerated violations are based upon review of RWQCB and State Water Resources Control Board Geotracker files for the Site. In addition to the above violations, this Notice covers any and all violations evidenced by records and monitoring data for the Site which Dischargers have submitted (or have failed to submit) to the RWQCB and/or other regulatory agencies during the period August 1, 2007 through August 1, 2012. This Notice also covers any and all violations which may have occurred, but for which data may not have been available or submitted or apparent from the face of the reports or data submitted by Dischargers to the RWQCB, State Water Resources Control Board Geotracker or other regulatory agencies.

Pursuant to CWA § 309(d), 33 U.S.C. § 1319(d), each of the above-described violations of the CWA subjects the violator to a per day/per violation penalty for violations occurring within five (5) years prior to the initiation of a citizen enforcement action. In addition to civil penalties, River

Watch will seek injunctive relief preventing further violations of the CWA pursuant to CWA § 505(a) and § 505(d), 33 U.S.C. §§ 1365(a) and (d), and such other relief as is permitted by law. CWA § 505(d), 33 U.S.C. § 1365(d), permits prevailing parties to recover costs and fees.

The violations of Dischargers as set forth in this Notice affect the health and enjoyment of River Watch members who reside, work and recreate in the affected area. River Watch members use this watershed for domestic water supply, agricultural water supply, recreation, sports, fishing, swimming, hiking, photography, nature walks and the like. Their health, property rights, use and enjoyment of this area is specifically impaired by Dischargers' violations of the CWA as alleged in this Notice.

Very truly yours,



Jack Silver

JS:lhm

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